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MEMORANDUM OF AGREEMENT

NUMBER: CHG-BMOA-8251

(MODIFICATION NO. 001 TO LMHC-BMOA-5117)

FOR THE PERFORMANCE AND PAYMENT OF SERVICES

between

CH2M HILL HANFORD GROUP, INC.

and

BECHTEL HANFORD, INC.

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NUMBER: **CHG-BMOA-8251**  
**(MODIFICATION NO. 001 TO LMHC-BMOA-5117)**  
**For the Performance and Payment of Services**  
**Between**  
**CH2M HILL Hanford Group, Inc.**  
and  
Bechtel Hanford, Inc.

The following describes the agreement reached between CH2M HILL Hanford Group, Inc. (CHG), and Bechtel Hanford, Inc. (BHI) for the performance and payment of services, effective October 1, 2000, until such time as other arrangements are negotiated and agreed to by the parties. The parties agree to review this agreement for changes at least annually.

**Principles:** The principles embodied in this agreement represent a mutual desire by the parties for 1) a simple and efficient process for performing work for each other that is responsive to the unique needs of each Contractor, 2) minimizing administrative effort and cost, 3) assuring adequate management controls and accountability and 4) encouraging routine communication and quick resolution of issues/problems.

**Applicability:** Pursuant to the U.S. Department of Energy (DOE) direction, BHI, and its Preselected Subcontractors will have access, through BHI, to the services of CHG and likewise, CHG will have access to the services of BHI and its Pre-selected Subcontractors, via BHI, through this agreement. Providing services for other than the benefit of a Contractor's prime DOE contract will be governed by use permit or other separate agreements reached with the DOE.

The Pre-selected Subcontractors of BHI are: Thermo Hanford, Inc. (THI) and CH2M HILL Hanford, Inc. (CHI).

**Terminology:** The term "Contractor" refers to either of the parties, other than the DOE, identified in the Applicability section above. The term "Requestor" refers to the individual that authorizes work to be performed by the other Contractor. The term "Requesting Contractor" refers to the Contractor organization that is requesting the work. The term, "Performing Contractor", refers to the Contractor that is supplying services under a work authorization from another Contractor.

**Work Authorization:** Contractors will perform work for one another only upon receipt of and in compliance with a specific written authorization. The formal authorizing documents under which CHG requires services of BHI, shall be a task order. Electronic forms of correspondence are suitable as an authorization so long as they contain all necessary information (as defined below) and are processed in the same manner as the written authorization.

Requestors of services are responsible for ensuring that their company's required reviews and approvals have been completed before issuing a work authorization. In cases where there is a need to start work before a formal authorization can be processed, work may be initiated through an electronic mail or similar written communication from a procurement officer to the Performing Contractor that includes a description of the work, Requestor's name, the work authorization number (e.g., work order number), amount of interim authorization (up to \$100K) and name of responsible person in the performing organization. Requests to do work that are potentially beyond the general scope of the Performing Contractor's prime contract with the DOE shall require the prior approval of the DOE Contracting Officer.

The Requestor of services may require a formal cost estimate before authorizing work. If a cost estimate is required, the Requestor will initiate the process by providing a description of the work to be performed including the required result and/or deliverable and other specific instructions (e.g., safety and quality assurance requirements). Unless the Performing Contractor is unable or unwilling to meet the Requestor's requirements, the Performing contractor should provide an estimate of the resources required, the full cost of the resources and any other relevant information, such as schedule or clarification of deliverables, to the Requestor. For those activities that include potential operating mortgages (e.g., disposal of radioactive and mixed wastes), the cost to cover these mortgages is to be included in the original estimate and will be part of the allowable closeout cost in the event of a termination or when the project ends unless the parties reach other agreement in writing.

The work authorization and any supporting documents defines the minimum information required for a work authorization. As appropriate, the work authorization document will be supplemented by other documents such as a Letter of Instruction (LOI), Statement of Work (SOW), the period of performance, deliverables, milestones, quality assurance requirements, safety requirements, reporting requirements and any other requirements particular to the work authorization.

**The Performing Contractor, by accepting the work, is responsible for ensuring that work is performed in accordance with these requirements and that the work can be completed for the amount authorized.**

The four types of services to be provided are described below. Each separate order for each type of service is considered to be a work authorization. The four types of services are:

1. Projects - Projects represent the transfer of a comprehensive work scope to the Performing Contractor and normally include milestones and/or significant deliverables and may include specific project reporting requirements. Projects are generally longer than 3 months in duration and over \$100K. Agreement on a formal description of the work and cost estimate is required.

2. **Technical Services** - Technical services are for specific, routine services (e.g., sample analysis) and usually for tasks of a smaller amount of funding, and for a shorter duration than for a project (e.g., generally less than \$100K and under 3 months duration). Technical services usually require a less detailed agreement than for a project. A description of the work and cost estimate is to be provided upon request.
3. **Hanford Site Services** - A Hanford Site service is a service provided by a Hanford Contractor for the benefit of one or more of the Contractors at the Hanford site at the direction of the U.S. Department of Energy (DOE), and where the budget and allocation among the Contractors is approved by the DOE. Impacted Contractors will be included in the process for considering changes in work scope, cost allocation practices and/or significant changes in budget. When these changes are planned by the Performing Contractor, the Performing Contractor will notify the impacted Contractors of the proposed change and provide them with an opportunity to comment on the changes before they occur and participate in discussions and decision meetings as appropriate. The Contractor will provide a work authorization to the Performing Contractor at an amount as specified by the DOE or as otherwise agreed to by the parties. For assessed services, CHG will bill the DOE directly an amount as specified by the DOE.
4. **Walk-in Services** - A walk-in service is a service available upon request with predetermined rates (e.g., duplicating, stores, calibrations). A work authorization is required for these services and the Requestor must provide a work order number at the time the service is ordered. The Requestor's act of ordering the service constitutes authorization. The Performing Contractor must provide a method for documenting the Requestor's authorization and verifying the quantity ordered.

If, during the course of performing the work, there are changes in scope, schedule, deliverables, milestones or other impacts to the work authorization agreement including any changes that would affect the ability of the Performing Contractor to complete the work scope for the authorized amount, the parties will, through a change control process, mutually agree on the impact of the changes and an amended authorization will be processed in a timely manner.

**Cost Recording, Over-runs, Under-runs, and Resolution of Problems:** Unless otherwise agreed to among the parties, all services will be provided on a cost reimbursement basis. Cost will only be billed up to the authorized amount. The Requestor of a cost estimate agrees to reimburse the Contractor preparing the estimate for the cost of preparing the estimate subject to the amount authorized by the Requestor. Potential overruns should be identified in writing and communicated to the Requestor in advance of an actual overrun so that a mutual course of action can be developed (e.g., increased efficiency, revised work scope or increased authorization). Every attempt will be made by the Contractor to notify the Requestor thirty (30) days in advance of a potential overrun. If there is an actual overrun, the overrun will be covered if explained to the customer's satisfaction and the Requestor processes a revised authorization. At the completion of work, if there is an under-run, the under-run will revert back to the Requesting

Contractor. In the event the parties are unable to resolve a dispute, it is agreed that the dispute will be referred to a mutually acceptable arbitrator. The parties agree to be bound by the decision rendered in such arbitration.

The parties agree that it is their long-term intent to only bill cost up to the authorized amount. Changes in indirect or service center rates that differ from those used in the cost estimate are chargeable against the authorized work even though this may result in an overrun to the work authorization. The requesting Contractor is obligated to pay for these costs even though these rate changes may occur in subsequent fiscal years after the work authorization is closed. When indirect or service center rate changes are planned, the Contractor initiating the rate change will notify the affected Contractors on a timely basis, before the rate changes are billed.

The parties agree to make every effort to report and bill cost in a timely manner. This includes accruing third-party cost when third-party cost represents a significant part of the work effort and this cost is lagging. The Performing Contractor must report accruals to the requesting Contractor on a monthly basis. These accruals should include costs through the end of the calendar month associated with all services performed under the work authorization. Accrual information will be exchanged electronically at the work authorization level.

In the event of late or unexpected cost, and if the authorization was open during the fiscal year that the cost was recorded, the Requesting Contractor must accept this cost if performed in accordance with the work authorization subject to not exceeding the authorized amount. If there is late or unexpected cost, excluding rate revisions, and an authorization was not open during the fiscal year in which the cost was recorded the disposition of the cost will be negotiated on a case-by-case basis between the parties.

If the Requestor decides to terminate a work authorization, it must be done by written notice.

Termination notice should be provided at least two weeks in advance of the effective date. Billable and allowable cost for such termination authorization will include any cost to date plus reasonable and allowable closeout cost.

**Payment for Services:** For work performed by CHG for BHI, BHI will provisionally agree by the third working day of each calendar month to the amount of the invoice for the previous month. CHG will then bill that amount to the DOE who will then bill that amount to BHI. Simultaneously, CHG will provide hard copy and electronic detail of the invoiced amount to BHI. BHI will review that detail and provide adjustments to CHG; CHG will include all of these adjustments in the subsequent billings and CHG and BHI will work to resolve the adjusted items. For work performed by BHI for CHG, BHI will submit an invoice directly to CHG of billable cost incurred each month and CHG will make payment, at the work authorization level with associated adjustments, directly to BHI within thirty (30) days of receipt of the invoice.

**Billing:** The Performing Contractor **will** provide the Requesting Contractor with detail by work authorization by element of cost; labor charges will be supported by the name and hours of the employee performing the service. BHI requires the billing detail both electronically and in hard copy. If the Requesting Contractor wants more detail, this requirement should be included in the supplementary reporting requirements associated with the project or technical services authorization, in associated letters of instructions, statements of work, or on the work authorization itself.

**Confidentiality of Information:** To the extent that the work under this MOA requires that either Contractor be given access to confidential or proprietary business, technical, or financial information belonging to the Government, the other Contractor, or other companies, both Contractors shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the other Contractor in writing. The foregoing obligations, however, shall not apply to:

- (1) Information which, at the time of receipt by the Contractor, is in the public domain;
- (2) Information which is published after receipt thereof by the Contractor or otherwise becomes part of the public domain through no fault of the Contractor;
- (3) Information which the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the Government, the other Contractor or other companies; and
- (4) Information which the Contractor can demonstrate was received by it from a third party who did not require the Contractor to hold it in confidence.

Each Contractor shall obtain the written agreement, in a form satisfactory to the other Contractor, of each employee permitted access to such information, whereby the employee agrees that he will not discuss, divulge, or disclose any such information or data to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the MOA.

Both Contractors agree, if requested by the other Contractor, to sign an agreement identical, in all material respects, to the provisions of this section, with each company supplying information to the other under this MOA, and to supply a copy of such agreement to each other. From time to time, upon request, both Contractors shall supply reports itemizing information received as confidential or **proprietary and setting** forth the company or companies from which the Contractor received such information.

Both Contractors agree that upon request from the other, it will execute an agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use, and disclosure of the data or the information obtained from the facilities. Upon request, such an agreement shall also be signed by the Contractor personnel.

**Intellectual Property (IP):** For purposes of commercializing IP that might be developed at Contractor's own expense through this relationship, the Contractor developing such IP or otherwise having rights in such IP shall have the right to commercialize the IP unless other agreements have been made in writing between the parties. In the event that IP is jointly owned between the parties, the Performing Contractor shall have the first right to commercialize the IP unless other agreements have been made in writing between the parties.


**Purchased Equipment and Supplies:** Equipment and supplies purchased during the performance of work will remain in the custody of the Performing Contractor upon completion of the work unless otherwise specified in the work authorization or as agreed to on a case-by-case basis.

**Performance of Work:** Each Contractor will perform work in accordance with the provisions of its prime contract with the DOE and its internal procedures and requirements. In addition, all such work shall be performed in compliance with applicable laws, orders, permits, rules and regulations.

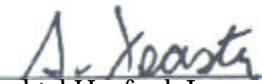
**Existing Work Authorizations:** All memorandums of understanding or memorandums of agreement shall be incorporated into Exhibit A.

Memorandum of Agreement  
Between  
CH2M HILL Hanford Group, Inc.  
and  
Bechtel Hanford, Inc.  
For the Performance and Payment of Services

Signatures:

  
2 HILL Ha ord Group, Inc.

L o  
Date

  
Bechtel Hanford, Inc.

IO Oo  
Date



EXHIBIT A

EXISTING WORK AUTHORIZATIONS

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